

**STATE OF ALABAMA
ALABAMA SECURITIES COMMISSION**

IN THE MATTER OF:

**SMITH, CAMPBELL & ASSOCIATES LLP
DEMETRIUS C. CAMPBELL**

RESPONDENTS

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**ADMINISTRATIVE ORDER
NO. CD-2015-0018**

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the authority to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act ("Act"), upon due consideration of the subject matter hereof, and having confirmed information of the offers for sale and/or sale of securities into, within or from the state of Alabama, has determined as follows:

RESPONDENTS

1. **SMITH, CAMPBELL & ASSOCIATES, LLP ("SCA")** is represented to be a Georgia company with a principal business address of 55 Pharr Road, Atlanta, Georgia 30305.
2. **DEMETRIUS C. CAMPBELL ("CAMPBELL")** is represented to be a "consultant" of **SCA** with a principal business address of 55 Pharr Road, Atlanta, Georgia 30305.

STATEMENT OF FACTS

3. On January 5, 2015, the Commission received information that on June 9, 2009, **RESPONDENTS** entered into a "Consulting Agreement" ("Agreement") with an Alabama investor. The Agreement stated that for a fee of \$5000.00, **RESPONDENTS** would ensure "that the Client will capture the appropriate financial backing for any future business ventures including a minimum of \$250,000 up to \$1,000,000 line of credit. Consultant will build a new

Limited Liability Company (LLC) for the purpose of this venture to ensure proper funding distributions.”

4. The Alabama investor paid **RESPONDENTS** a total of \$5,000 as stated in the Agreement. These payments were made by two personal checks, each in the amount of \$2,500, on June 9, 2009 and June 18, 2009. The checks were made payable to **CAMPBELL** for “consulting fees.” The investor gave the checks to **CAMPBELL** in person in Jefferson County, Alabama. According Regions Bank records, **CAMPBELL** cashed the checks at Regions Bank.

5. **CAMPBELL** failed to disclose to the Alabama investor that he had filed for Chapter 13 bankruptcy on October 5, 2004, in the U.S. Bankruptcy Court, Northern District of Alabama.

6. After the Alabama investor paid **CAMPBELL** the \$5,000, the Alabama investor never received anything else from the **RESPONDENTS**.

7. In March 2010, the Alabama investor contacted **CAMPBELL** by phone to determine why the Agreement had not been fulfilled. **CAMPBELL** gave no explanation about why the Alabama investor had not received the services promised in the Agreement. **CAMPBELL** promised to return the \$5,000 to the Alabama investor. The Alabama investor received no further contact from **CAMPBELL** or **SCA**.

8. A search of the online records of the Georgia Secretary of State Corporations Division disclosed no filing or record for **SCA**.

9. On February 3, 2015, a review of the Commission’s registration files disclosed no record of registration for **CAMPBELL** as a broker dealer, broker dealer agent or as an investment advisor representative or as a restricted agent.

10. On February 3, 2015, a review of the Commission's registration files disclosed no current filing for securities registration/exemption for **SCA**.

11. On February 23, 2015, a search of the United States Securities and Exchange Commission ("SEC") EDGAR website disclosed no filing for **SCA**.

CONCLUSIONS OF LAW

12. Pursuant to Section 8-6-2(10), Code of Alabama 1975, the definition of security includes any "investment contract." **RESPONDENTS** solicited an investment of money for the purpose of securing a line of credit derived from **RESPONDENTS'** efforts. The solicited investment is an "investment contract" and is a security under the Act.

13. Pursuant to Section 8-6-4, Code of Alabama, 1975, it is unlawful for any person to offer or sell any security in this state unless said security: (1) is registered under the Act; (2) the security is exempt from registration under section 8-6-10; or (3) the transaction is exempt under section 8-6-11. The security offered by **RESPONDENTS**; to wit: the investment contract, was neither registered nor subject to a perfected exemption from registration in Alabama and was offered in violation of the Act.

14. Pursuant to Section 8-6-17(a)(2), Code of Alabama, 1975, it is unlawful to omit to state a material fact, necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. **RESPONDENTS** failed to disclose the existence of the **CAMPBELL** bankruptcy proceeding filed in 2004.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

Additionally, if the allegations set forth herein are found to be true, through either administrative adjudication, failure of the **RESPONDENTS** to make a timely request for hearing, or default of the **RESPONDENTS**, it is the intention of the Commission to impose sanctions upon the **RESPONDENTS**. Such sanctions may include, inter alia, an administrative assessment imposed on **RESPONDENTS**, an additional administrative assessment for investigative costs arising from the investigation of the violation(s) described herein against **RESPONDENTS**, and a permanent order to bar **RESPONDENTS** from participation in any securities related industry in the state of Alabama.

ACCORDINGLY, IT IS HEREBY ORDERED that **RESPONDENTS** immediately **CEASE AND DESIST** from further offers or sales of any security into, within or from the state of Alabama.

Entered at Montgomery, AL, this 19th day of October, 2015.



ALABAMA SECURITIES COMMISSION
401 Adams Avenue, Suite 280
Montgomery, AL 36104
(334) 242-2984
BY:

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Joseph P. Borg
Director